

AMENDED IN SENATE APRIL 26, 2011

AMENDED IN SENATE APRIL 4, 2011

AMENDED IN SENATE MARCH 22, 2011

SENATE BILL

No. 911

Introduced by Senator De León

(Coauthors: Assembly Members Blumenfield and Portantino)

February 18, 2011

An act to *amend Section 15280 of the Education Code, and to amend Section 53411 of, and to add Section 53411.5 to, the Government Code, relating to local agency finance.*

LEGISLATIVE COUNSEL'S DIGEST

SB 911, as amended, De León. Local agency bonds: ~~report~~ *reports*.

~~Existing~~

(1) Existing law requires the chief fiscal officer of a local agency issuing bonds to file an annual report with the governing body of the local agency with respect to the amount of funds collected and expended generally, and the status of any project required or authorized to be funded from the proceeds of the bonds.

This bill would additionally require the report to include a bond fund transparency component, to include specified information for each expenditure of bond proceeds in excess of \$5,000. ~~It~~ This bill would require this information to also be posted on the agency's Internet Web site. This bill would provide that failure to submit the report on time shall result in a suspension of bond proceeds until the report is submitted.

~~This bill would also require each issuing agency to develop and implement a bond issuance ethics policy, to include specified components, no later than January 1, 2013.~~

(2) Existing law requires that if a bond measure that provides financing for certain types of school facilities is approved by voters, then the governing board of a school district or community college shall establish a citizens oversight committee. Existing law requires the citizen oversight committee to issue a report on its activities at least once a year.

This bill would provide that if the citizens oversight committee fails to issue a report at least once a year, no bond proceeds may be expended until a report is issued.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature in enacting this
2 measure to provide greater transparency and accountability in the
3 bond financing process, so the public can readily review how the
4 proceeds of taxpayer-authorized bonds are spent.

5 SEC. 2. *Section 15280 of the Education Code is amended to*
6 *read:*

7 15280. (a) The governing board of the district shall, without
8 expending bond funds, provide the citizens' oversight committee
9 with any necessary technical assistance and shall provide
10 administrative assistance in furtherance of its purpose and sufficient
11 resources to publicize the conclusions of the citizens' oversight
12 committee.

13 (b) All committee proceedings shall be open to the public and
14 notice to the public shall be provided in the same manner as the
15 proceedings of the governing board. The citizens' oversight
16 committee shall issue regular reports on the results of its activities.
17 A report shall be issued at least once a year. Minutes of the
18 proceedings of the citizens' oversight committee and all documents
19 received and reports issued shall be a matter of public record and
20 be made available on an Internet website maintained by the
21 governing board.

1 (c) *If the citizens oversight committee fails to issue a report at*
2 *least once a year pursuant to subdivision (b), no bond proceeds*
3 *may be expended until a report is issued.*

4 ~~SEC. 2.~~

5 SEC. 3. Section 53411 of the Government Code is amended
6 to read:

7 53411. The chief fiscal officer of the issuing local agency shall
8 file a report with its governing body no later than January 1, 2002,
9 and at least once a year thereafter. *Failure to file the report by the*
10 *annual deadline shall result in a suspension in the expenditure of*
11 *bond proceeds until the report is submitted.* The annual report
12 shall contain all of the following:

13 (a) The amount of funds collected and expended.

14 (b) The status of any project required or authorized to be funded
15 as identified in subdivision (a) of Section 53410.

16 (c) (1) A bond fund transparency component, including all of
17 the following information for each expenditure of bond proceeds
18 *in excess of five thousand dollars (\$5,000):*

19 (A) The name and principal location of each recipient of funds.

20 (B) The amount of the expenditure.

21 (C) The type of transaction.

22 (D) The identity of the local agency or authorized entity making
23 the expenditure.

24 (E) The funding source for the expenditure.

25 (F) A brief description of any item or service purchased pursuant
26 to the expenditure.

27 (2) This information shall also be posted on the agency's Internet
28 Web site in a format accessible to the public.

29 (3) This subdivision shall not be construed to require the
30 disclosure of information deemed confidential or otherwise exempt
31 from disclosure under state or federal law.

32 ~~SEC. 3. Section 53411.5 is added to the Government Code, to~~
33 ~~read:~~

34 ~~53411.5. (a) Each issuing agency shall develop and implement~~
35 ~~a bond issuance ethics policy, to do at least both of the following:~~

36 ~~(1) Address conflict of interest rules.~~

37 ~~(2) Provide for a process for ethics complaints and violations~~
38 ~~to be reported and rules to be enforced.~~

39 ~~(b) The ethics policy shall be posted on the agency's Internet~~
40 ~~Web site.~~

- 1 ~~(e) (1) The ethics policy shall be implemented no later than~~
2 ~~January 1, 2013.~~
3 ~~(2) The proceeds of bonds approved after January 1, 2012 may~~
4 ~~not be expended until the ethics policy has been implemented.~~